

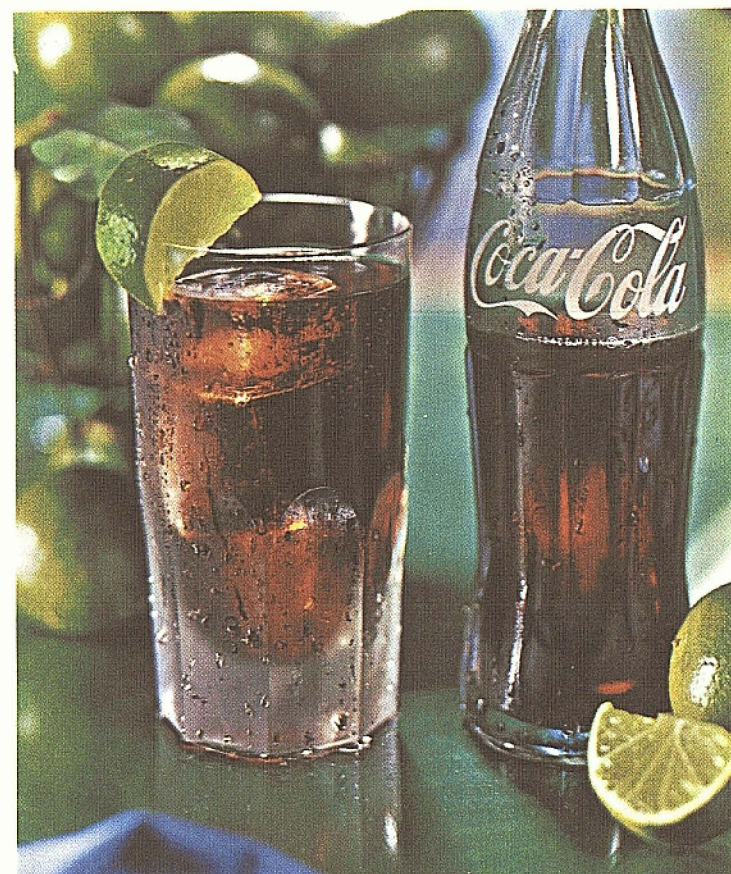


ANNUAL REPORT

1961

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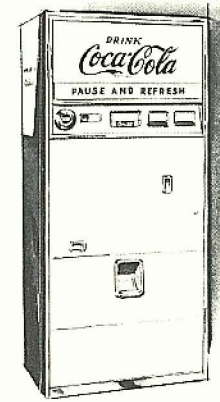
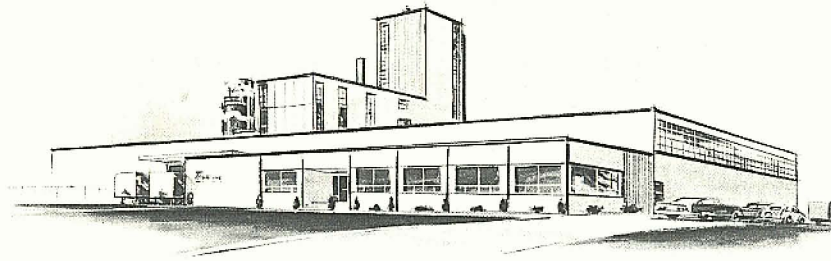
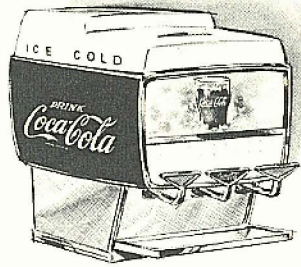
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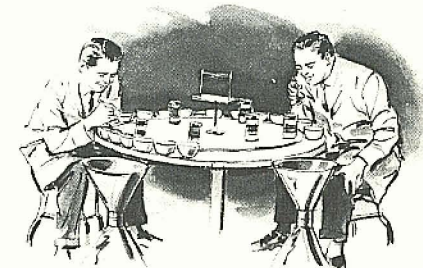
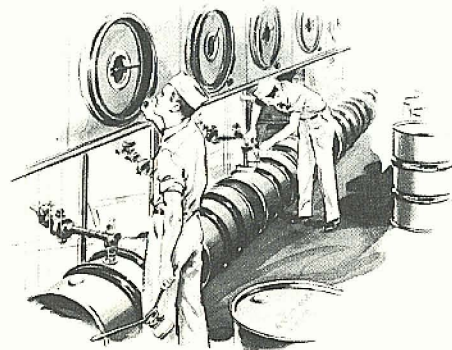
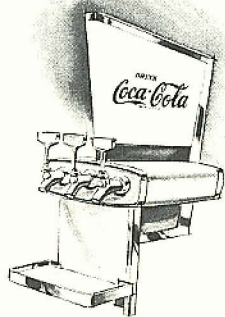
A magazine advertisement designed to illustrate the delicious and refreshing qualities of Coca-Cola.

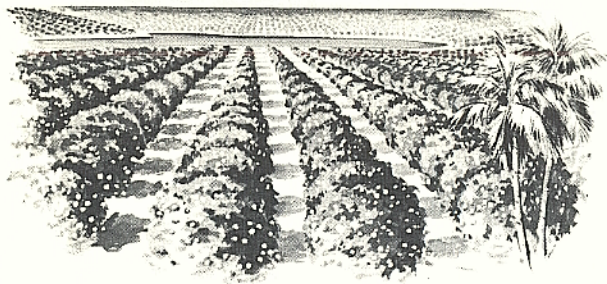
ANNUAL REPORT _____ Year ended December 31, 1961

THE COCA-COLA COMPANY AND SUBSIDIARIES



Refreshing America Since 1886





THE COCA-COLA COMPANY

Board of Directors

A. A. ACKLIN, Atlanta, Ga.

Director of Various Corporations

C. H. CANDLER, JR., Atlanta, Ga.

President, Asa G. Candler, Inc.

HOLMAN R. CLOUD, Orlando, Fla.

President, Loma Linda Groves Corporation, Lititia Groves Corporation, and Adriana Groves Corporation

WILLIAM A. COOLIDGE, Cambridge, Mass.

Chairman, Board of Directors, National Research Corporation

R. R. DEUPREE, Cincinnati, Ohio

Honorary Chairman, Board of Directors, The Procter & Gamble Company

JAMES A. FARLEY, New York, N. Y.

Chairman, Board of Directors, The Coca-Cola Export Corporation

R. W. FREEMAN, New Orleans, La.

President, The Louisiana Coca-Cola Bottling Company, Ltd.

BERNARD F. GIMBEL, New York, N. Y.

Chairman, Board of Directors, Gimbel Brothers, Inc.

LINDSEY HOPKINS, Miami, Fla.

Chairman, Board of Directors, Security Trust Company

HARRISON JONES, Atlanta, Ga.

Retired

JOHN T. LUPTON, Chattanooga, Tenn.

Vice President and Director, Consolidated Properties Corporation, and President, Dallas Coca-Cola Bottling Works and Cedar Rapids Coca-Cola Bottling Company

WILLIAM E. ROBINSON, Greenwich, Conn.

Retired

HUGHES SPALDING, Atlanta, Ga.

Attorney, member of firm of King & Spalding

LEE TALLEY, Atlanta, Ga.

Chairman, Board of Directors, and President, The Coca-Cola Company

CHARLES E. THWAITE, JR., Atlanta, Ga.

Chairman, Board of Directors, Trust Company of Georgia

D. A. TURNER, Columbus, Ga.

Chairman, Boards of Directors, Columbus Bank & Trust Co. and W. C. Bradley Co.

GEORGE W. WOODRUFF, Atlanta, Ga.

Director of Various Corporations

R. W. WOODRUFF, Atlanta, Ga.

Chairman, Finance Committee, The Coca-Cola Company

THE COCA-COLA COMPANY

LEE TALLEY	<i>Chairman, Board of Directors, and President</i>
J. PAUL AUSTIN	<i>Executive Vice President</i>
EDGAR J. FORIO	<i>Senior Vice President</i>
C. W. ADAMS	<i>Vice President</i>
RALPH J. BARRY	<i>Vice President</i>
HUNTER S. BELL	<i>Vice President</i>
GEORGE A. CALLARD	<i>Vice President</i>
SAMUEL N. GARDNER	<i>Vice President</i>
C. W. HODGSON	<i>Vice President</i>
M. S. HODGSON, JR.	<i>Vice President</i>
THOMAS C. LAW, JR.	<i>Vice President</i>
O. E. MAY	<i>Vice President</i>
B. H. OEHLERT, JR.	<i>Vice President</i>
HAROLD S. SHARP	<i>Vice President</i>
C. A. SHILLINGLAW	<i>Vice President</i>
E. D. SLEDGE	<i>Vice President</i>
J. LUCIAN SMITH	<i>Vice President</i>
JOHN C. STATON	<i>Vice President</i>
JOHN D. GOODLOE	<i>General Counsel</i>
RAYMOND W. BOWLING	<i>Treasurer</i>
J. W. JONES	<i>Secretary</i>
FILLMORE B. EISENBERG	<i>Controller</i>

Divisions of The Coca-Cola Company

Fanta Beverage Company

FRED W. DICKSON	<i>President</i>
W. A. BOYKIN, JR.	<i>Vice President</i>
CARL M. JERNIGAN	<i>Vice President</i>
WALTER L. SUSONG	<i>Secretary</i>

Tenco

EDWARD ABORN	<i>President</i>
DUDLEY A. TREMBLE	<i>Executive Vice President</i>
EDWARD T. DOWN	<i>Vice President</i>
ALBERT P. MORROW	<i>Vice President</i>
GEORGE W. PEABODY	<i>Vice President and Secretary</i>
FRANK W. BACHMANN	<i>Treasurer and Controller</i>

Divisions of The Coca-Cola Company (continued)

Minute Maid Company

B. H. OEHLERT, JR.	<i>President</i>
C. W. HODGSON	<i>Chairman, Executive Committee</i>
HENRY CRAGG	<i>Vice President</i>
HOWARD G. DICK	<i>Vice President</i>
FRANKLIN E. PENN	<i>Vice President</i>
WALLACE R. ROY	<i>Vice President</i>
HUGH W. SCHWARZ	<i>Vice President</i>
DANIEL DRAPER	<i>Vice President and Treasurer</i>
WILLIAM E. SPEELER	<i>Vice President and Secretary</i>
GEORGE BORYSEWICH	<i>Controller</i>

FOREIGN OPERATIONS

The Coca-Cola Export Corporation

JAMES A. FARLEY, New York, N. Y.	<i>Chairman, Board of Directors</i>
J. PAUL AUSTIN, Atlanta, Georgia	<i>President</i>
ROY S. JONES, New York, N. Y.	<i>Executive Vice President</i>
C. L. AYRES, Sydney, Australia	<i>Vice President</i>
W. M. BEKKER, Buenos Aires, Argentina	<i>Vice President</i>
IGNAZIO GRAUL, Rome, Italy	<i>Vice President</i>
F. W. HARROLD, New York, N. Y.	<i>Vice President</i>
MAX KEITH, Essen, Germany	<i>Vice President</i>
A. E. KILLEEN, Johannesburg, South Africa	<i>Vice President</i>
ALEXANDER MAKINSKY, Paris, France	<i>Vice President</i>
H. B. NICHOLSON, JR., Brussels, Belgium	<i>Vice President</i>
J. W. RINTELEN, New York, N. Y.	<i>Vice President</i>
W. H. ROBERTS, Tokyo, Japan	<i>Vice President</i>
J. B. SHERWOOD, Mexico City, Mexico	<i>Vice President</i>
C. P. STEPHENS, New York, N. Y.	<i>Vice President</i>
JOHN R. TALLEY, New York, N. Y.	<i>Vice President</i>
R. M. THOMAS, Nassau, Bahamas	<i>Vice President</i>
A. S. WILLIAMS, London, England	<i>Vice President</i>
J. H. WILSON, New York, N. Y.	<i>Vice President and Treasurer</i>
H. F. MACMILLAN, New York, N. Y.	<i>Vice President, Secretary and General Counsel</i>

Divisions of The Coca-Cola Export Corporation

Minute Maid Overseas

ROBERT M. BLAKE *President*
 GERALD D. BARTREM *Vice President*
 JOHN ST. JOHN *Vice President and Treasurer*

Tenco Overseas

J. PAUL AUSTIN *President*
 ROY S. JONES *Vice President*
 H. F. MACMILLAN *Vice President*
 JOHN ST. JOHN *Vice President and Treasurer*

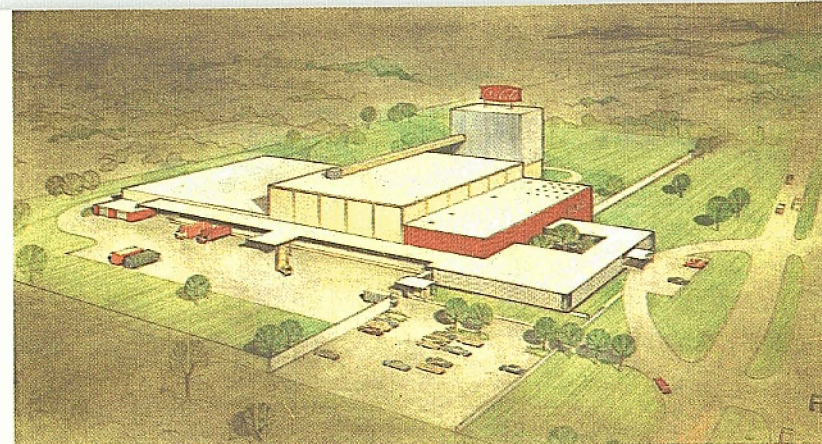
OTHER FOREIGN OPERATIONS

Coca-Cola Interamerican Corporation

JAMES A. FARLEY *Chairman, Board of Directors*
 J. PAUL AUSTIN *President*
 ROY S. JONES *Executive Vice President*
 W. M. BEKKER *Vice President*
 F. W. HARROLD *Vice President*
 J. W. RINTELEN *Vice President*
 J. B. SHERWOOD *Vice President*
 C. P. STEPHENS *Vice President*
 JOHN R. TALLEY *Vice President*
 R. M. THOMAS *Vice President*
 J. H. WILSON *Vice President and Treasurer*
 H. F. MACMILLAN *Vice President, Secretary
and General Counsel*

Coca-Cola Ltd. (Canada)

J. PAUL AUSTIN *Chairman, Board of Directors*
 R. E. SEWELL *President*
 R. W. KEAST *Vice President*
 L. M. HUNTER *Vice President*
 E. W. GRANT *Vice President*
 G. J. LEONIDAS *Vice President*
 F. G. ALLEN *Vice President*
 W. F. SHERER *Vice President*
 E. T. GRIFFITH *Vice President*
 C. W. I. JACKSON *Treasurer*
 A. B. BALLENTINE *Secretary*

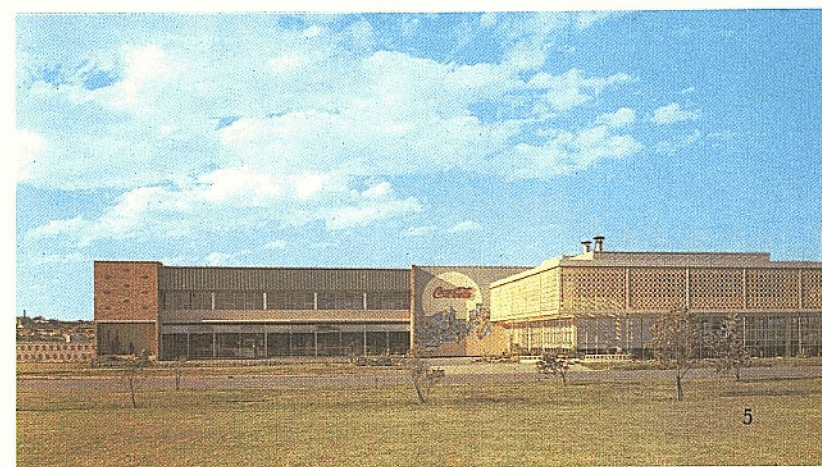


Proposed new Coca-Cola syrup plant for New Orleans, Louisiana.



Coca-Cola bottling plant Essen, Germany—By pressing two buttons one man can lift, weigh and empty five tons of sugar at a time with this unique carrier.

(Below) A new Coca-Cola bottling plant at Sydney, Australia.





A 1907 magazine advertisement which invited theater-goers to pause and be refreshed.

LETTER TO STOCKHOLDERS

— March 7, 1962

The year 1961 marks the seventy-fifth anniversary of our business. We are proud of the record of achievement which has been made over these years. We acknowledge with pride and with gratitude the significant contributions which have been made to our business by those who have preceded us.

During the full year 1961, our new Minute Maid (Citrus) Division and Tenco (Instant Coffee) Division have been fully integrated into our world-wide operations and their results are consolidated with our other operations in this report. The consolidated figures for 1960 referred to herein include the operations of Minute Maid and Tenco and are thus comparable to the 1961 results.

Both dollar sales and net profit for 1961 are the highest in the Company's history. New high records in both sales and profits have been set in both our domestic and foreign businesses.

Consolidated net profit after reserves, taxes and all other charges was \$42,487,358, or \$3.08 per share. This compares with \$39,341,319, or \$2.87 per share in 1960. Provision for Income Taxes for 1961 was \$51,251,000 as compared with a provision of \$45,555,861 for 1960.

The past year has seen many interesting developments in our business. Our own organizations and those of the large family of Coca-Cola Bottlers throughout the world have been addressing themselves to the ever-changing problems of the business with enthusiasm and determination to the end that new high records of achievement have been set.

I wish to acknowledge and express appreciation to all those who have contributed so significantly to this result.

It is with deep regret that we note the passing, on June 5, 1961, of Mr. H. B. Nicholson, who joined our Company in 1933. He became its President in 1952 and later served as Chairman of its Board of Directors. He continued as an active member of the Company's Board of Directors and a member of its Finance Committee until his death. His contributions to our business were notable indeed.

On the following pages of this report, some of the highlights of 1961 are commented upon in more detail.

The consolidated balance sheet, the statement of profit and loss, and the statement of earned surplus appear later in the report. A separate mailing will contain proxy forms and notice of the annual meeting of stockholders at 11 a.m., Eastern Daylight Time, on Monday, May 7, 1962, at the office of the Company, 100 West Tenth Street, Wilmington, Delaware.

For the Board of Directors



President and Chairman of the Board

A 1961 magazine advertisement which reminded party-goers that Coke was a welcomed part of any party.





A portion of the original site of the Cloud Citrus Grove.



Clearing and draining begun.



A portion of the planted grove.



How the grove will look three years hence as it begins to bear its first fruit.

COMMENTS ON OPERATIONS

A Minute Maid magazine advertisement emphasizing the appetite appeal of the new process juice.



Minute Maid

During the first full year of the operation of The Minute Maid Company, as a Division of The Coca-Cola Company, Minute Maid has proceeded with its plans for further strengthening the market position of Snow Crop and Minute Maid Frozen Concentrates. The new Patented Process produces a product which is readily recognizable as superior in taste and quality, and it has now been extended to where both Minute Maid and Snow Crop utilize this process for their entire national distribution.

During 1961, the Hi-C Fruit Drinks continued to gain in popularity and the volume of business increased substantially.

In the area of new products, the test marketing of Frozen Banana-Orange Concentrate was completed successfully and plans were concluded to put this product into national distribution in 1962. The sale of chilled orange juice in cartons was initiated in the New York City market early in 1961. The volume of business developed has been quite satisfactory.

Minute Maid currently owns or holds under long-term lease more than 18,000 acres of bearing citrus groves. Additional wholly-owned groves are being developed. The planting of the new Cloud Grove, consisting of approximately 7,200 acres near Fort Pierce, will be completed by the Spring of 1963. Another new grove development at Indiantown, scheduled for completion in 1963, will add 3,800 acres.

Minute Maid's plant at Anaheim, California, is the primary source of lemon products for the Minute Maid and Snow Crop labels. The products sold under the Tip-Top label are also manufactured at the Anaheim facility.

Working through The Coca-Cola Export Corporation and Minute Maid International, considerable survey work was done in 1961, looking toward both the increased export of citrus products from this country and the establishment of plants in citrus producing areas abroad. In anticipation of this expansion of the Overseas market, interest in a new citrus processing operation in South Africa has been substantially increased, and a pilot plant in Italy is under construction.

The Overseas Business

Our Overseas business continued its forward progress during 1961 at an accelerated pace. Thirty-five new Bottlers began the bottling of Coca-Cola during the year, bringing the total number of Overseas Bottlers to 574 by the end of the year. The gratifying sales increases in the Overseas business are due only in part to the addition of new Bottlers. They are primarily due to aggressive sales activity by already established Bottlers. One hundred Overseas Bottlers have sales of more than one million cases of Coca-Cola per annum, and many of them, in addition, have substantial sales of Fanta Beverages. These one-hundred-million case Bottlers' sales range from slightly over one-million up to more than twenty-million cases of Coca-Cola annually. It is anticipated that a number of additional Bottlers will be selling at the rate of one-million cases per annum during 1962.

The Overseas business continues to follow the policy of being a good citizen of the local community wherever it operates. Every effort is made to have Coca-Cola bottling operations owned by local nationals of the countries in which the business is located. These locally owned businesses contribute substantially to the local economy through the development of local enterprises, the employment of local personnel, and the purchase of local materials and equipment. In some instances, the Coca-Cola Bottler assists in the development of completely new local enterprises needed to supply him with the material and equipment required in his business and that of The Coca-Cola Company.

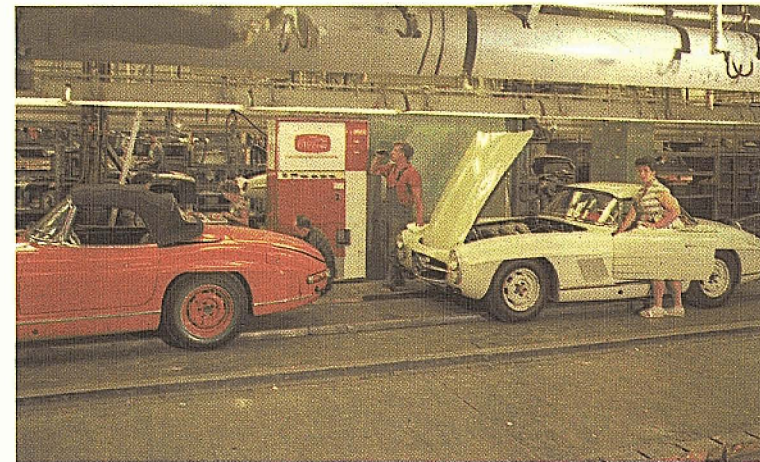
Slightly more than 6,000 people are employed in the Overseas business outside the United States and Canada, of whom less than one per cent are citizens of the United States.



A new Coca-Cola bottling plant in Aarhus, Denmark, built and equipped entirely with Danish materials and machinery.



The Coca-Cola Export Corporation's new laboratory and Coca-Cola concentrate plant in Manila, Philippines.



Workers in the Mercedes-Benz factory in West Germany pause to refresh themselves with ice-cold Coke.



A truckload of Coca-Cola pauses before the Hofburg in Vienna, Austria.



A Fanta truck in Holland near Amsterdam.

COMMENTS ON OPERATIONS (continued)

Canada

Coca-Cola Ltd., which is the operating company for the Dominion of Canada, continues to show satisfactory progress. Coca-Cola is now packaged in Regular, King, and Family Sizes in all markets across the Dominion. Coca-Cola in cans is also being distributed in certain of these markets. Progress in the distribution of Fanta Beverages is well ahead of schedule, with two-thirds of the Coca-Cola bottling plants in Canada now marketing Fanta Flavors. The construction of the new plant for Tenco, which is the Instant Coffee Division of Coca-Cola Ltd., was completed at Ajax, Ontario, in 1961. These facilities are now operating at full capacity, producing instant coffee and instant tea for Canadian customers and at the same time exporting to the foreign market.

Sprite and Fanta

1961 was the first full year of operation for the Fanta Beverage Company, which was organized as a Division of The Coca-Cola Company in May, 1960, for the purpose of providing Coca-Cola Bottlers in the United States with a high quality line of soft drinks of various flavors which they might actively merchandise. Soon after the formation of this Division, a new lemon-lime specialty drink, known as Sprite, was introduced for sale under its own trade-mark and in its own distinctive bottle. Consumer, dealer, and Bottler reception of Sprite has been gratifying indeed, sales in the first year running considerably ahead of forecasts. The level of sales achieved by Fanta and Sprite in their first eighteen months is already equal to that attained by Coca-Cola after its first twenty years. The products of the Fanta Beverage Division are designed to supplement Coca-Cola; and, with the addition of Fanta brand flavors, and Sprite as the lemon-lime specialty drink, Bottlers of Coca-Cola are able to place themselves in an even stronger competitive position in the total soft drink market.

The new plant for Tenco, the Instant Coffee Division of Coca-Cola, Ltd., at Ajax, Ontario, Canada.



Fountain

That portion of the Coca-Cola business which is handled through jobbers (instead of Bottlers), and which serves the consumer through outlets typified by "soda fountains", continued in 1961 to maintain a most healthy sales curve. In celebrating its seventy-fifth anniversary, this Department alone sold more gallons in 1961 than total sales amounted to in the first thirty years of the Company's history. For seven consecutive years, fountain gallon sales each year have exceeded the previous year at an average annual rate three times the population growth. This sales record has been achieved through not only an expansion of the number of outlets handling fountain syrup but also by a splendid increase in the amount of syrup sold per outlet. This increase has been to some degree the result of the introduction of larger package sizes and the steady improvement in dispensing equipment. Automatic vending of fountain Coca-Cola continues to expand as multi-vending installations are designed for large industrial feeding requirements. Under such circumstances, Coca-Cola finds itself more and more available beside tea and coffee and milk and juices, as a beverage consumed with food.



A couple of thirsty customers are refreshed from a dispensing unit designed for the soda fountain type of outlet.

New York World's Fair

In anticipation of the opening of the New York World's Fair in 1964, the Company has organized a separate corporation to deal with the complex problems surrounding participation in this event. The Company has entered into a contract for space in the Fair Grounds, an architect has been chosen for the building, a designer has been selected for the exhibit, and a great deal of preliminary work has been done on the exhibit itself. Our building will feature a 600-bell carillon installed in a tower one hundred and twenty feet in height. This will be the world's largest electronic carillon. It has been enthusiastically approved by the World's Fair authorities and, under a contract with them, it will be the only musical device designed to cover the entire Fair area.

Advertising

1961 saw advertising expenditures for the Company at an all-time high. That portion of the funds allocated to the product Coca-Cola, combined with the increased investment of Coca-Cola Bottlers, set a new record, and enabled Coca-Cola to maintain its position of being not only the most widely distributed commercial product in the world, but also the most widely advertised. Strong

campaigns supporting Fanta, Sprite, and Minute Maid's extensive line of citrus products made heavy use of radio and television. Extensive research on the quality, impact, and effectiveness of specific advertisements indicates that they continue their long-term record of rating among the highest of all advertising competing for the consumer's interest.

New Packages

1961 saw the strengthening of trends in new packages which have been recognizable for some while; and it saw the Company's increased marketing emphasis in these areas. Bottlers have, of course, been marketing Coca-Cola for many years in the Regular 6½-ounce size, and more recent years have seen their package line extended to include the 10 and 12-ounce King size, the 26-ounce Family size, and the 12-ounce can. In recent months, the 16-ounce returnable bottle for Coca-Cola has progressed beyond the test stage and is being made available to any Bottler who feels a need for it in his market. The 16-ounce non-returnable, no-deposit bottle has now been in one test territory for several months and ample data is rapidly accumulating for the expansion of this package when and if it appears desirable.

The 12-ounce can for Coca-Cola is enjoying a rapidly expanding market and currently is being produced by 19 canners for 545 Bottlers. From the growing share of market attained by this package over recent years, it would appear that it can be counted upon as constituting a sizable segment of our business in the not too distant future.

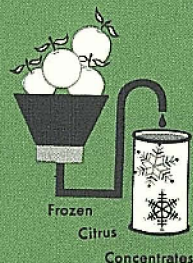
75th Anniversary Convention

The 75th Anniversary of The Coca-Cola Company was commemorated with a national con-

vention of Coca-Cola Bottlers in Miami, Florida, October 9-11. The attendance of more than 4,000 consisted largely of domestic Bottlers, with some representation from many other parts of the world. The Miami press called the meeting the biggest corporate convention ever held there. A major highlight was the largest and most comprehensive exhibit area ever featured at a Bottler convention. Daily business sessions were devoted to realistic dramatic episodes built around new sales and merchandising ideas to help Bottlers sell more Coca-Cola. In scope, these dramatic scenes, also employing original songs and dance numbers, were the equivalent of three Broadway musicals. Everyone left the convention dedicated to the proposition that the past is ever prologue and that a 75th Anniversary is an excellent point from which to move toward even greater deeds.



A charming German fraulein serves two customers as they enjoy the view over West Germany's famous Autobahn.



CONSOLIDATED

THE COCA-COLA COMPANY AND

ASSETS

CURRENT:

Cash	\$ 36,333,078
U. S. Government and other marketable securities—at cost (market price \$56,901,976)	56,838,810
Trade accounts receivable (less allowance of \$620,266)	38,204,618
Inventories	81,145,644
Prepaid expenses	7,233,452

TOTAL CURRENT ASSETS \$219,755,602

MISCELLANEOUS INVESTMENTS AND OTHER ASSETS 18,615,311

PROPERTY, PLANT AND EQUIPMENT:

At cost:

Land and improvements	\$ 24,990,807
Buildings	64,558,938
Machinery and equipment	121,437,949
Containers	16,317,306
	<u>\$227,305,000</u>

Less allowance for depreciation 90,034,478 137,270,522

FORMULAE, TRADE-MARK AND GOODWILL — at cost 42,894,257

\$418,535,692

The trade-mark "Coca-Cola" as it is rendered in some of the 57 languages in which people call for Coke.

See Notes to

Coca-Cola
Trade Mark ®

كوكا كولا
Arabic

Κόκα-Κόλα
Greek

コカ・コーラ
Japanese

ໂຄຄາ-ໂຄລາ
Thai

كوكا كولا
Malay

BALANCE SHEET

SUBSIDIARIES December 31, 1961

LIABILITIES

CURRENT:

Notes payable	\$ 4,292,059
Accounts payable and accrued accounts	43,063,022
Accrued taxes — including taxes on income	\$ 45,747,468
Less U. S. Government securities for payment of income taxes	22,015,309
	23,732,159
Current maturities of long-term debt	1,790,532

TOTAL CURRENT LIABILITIES \$ 72,877,772

LONG-TERM DEBT 14,129,874

RESERVE FOR UNREMITTED FOREIGN PROFITS 56,328,282

CAPITAL STOCK AND SURPLUS:

Common stock — no par value:

Authorized . . . 15,000,000 shares

Issued 13,855,490 shares \$ 50,436,666

Capital surplus 6,344,146

Earned surplus 218,896,719

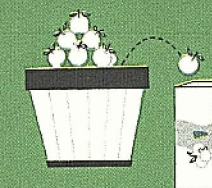
\$275,677,531

Less 7,882 shares of stock held in

treasury — at cost 477,767

275,199,764

\$418,535,692



Fresh Juices



Fruit Drinks

Financial Statements

कोका-कोला
Hindi

کوکا-کولا
Urdu

કોકા-કોલા
Gujarati

ኮካ:ኮላ
Amharic

Koka Kola
Turkish

樂可口可
Chinese

THE COCA-COLA COMPANY and Subsidiaries — Year ended December 31, 1961

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Net sales	\$536,548,712	
Cost of goods sold	278,680,026	
GROSS PROFIT	\$257,868,686	
Selling, administrative and general expenses	159,939,145	
OPERATING PROFIT	\$ 97,929,541	
Other deductions	\$ 8,749,189	
Less other income	4,558,006	4,191,183
PROFIT BEFORE TAXES ON INCOME	\$ 93,738,358	
Provision for taxes on income	51,251,000	
NET PROFIT	<u>\$ 42,487,358</u>	

CONSOLIDATED STATEMENT OF EARNED SURPLUS

Balance at January 1, 1961	\$209,576,281	
Net profit for the year	42,487,358	
	<u>\$252,063,639</u>	
Dividends paid in cash—\$2.40 per share	33,166,920	
BALANCE AT DECEMBER 31, 1961	<u>\$218,896,719</u>	

See Notes to Financial Statements



This was a magazine advertisement which appeared during December of 1961. It was the 33rd year that the artist, Haddon Sundblom, had painted Santa Claus pausing for refreshment with ice-cold Coca-Cola at Christmastime.

NOTES TO FINANCIAL STATEMENTS

1. *Foreign Operations.* The consolidated balance sheet includes the following amounts with respect to subsidiaries and branches operating in foreign countries: current assets, \$68,871,495 (including cash and government securities totaling \$36,734,363); property, plant and equipment at depreciated cost, \$47,795,453; other assets, \$7,406,583; and liabilities, \$36,981,807. Property accounts have been converted at rates of exchange prevailing at dates of acquisition and all other assets and liabilities at approximate rates of exchange prevailing at December 31, 1961.

It is the established policy of the Company to include in consolidated net profit the entire net profit of the Canadian subsidiaries, but to include the net profit of other foreign subsidiaries only to the extent such profits have been remitted to the Company. Accordingly, the other deductions account includes a provision for unremitted foreign profits in the amount of \$5,340,713, representing foreign profits earned but not remitted in 1961.

2. *Inventories* are stated at the lower of cost (average or first-in, first-out method) or market except that inventories of certain major citrus concentrate products are stated at the lower of cost (last-in, first-out method) or market.

3. *Long-Term Debt* (exclusive of current maturities) consists of:

Mortgages, principally on grove properties
at 5% payable in installments through
1982 \$ 9,529,696

Subordinated debentures, 4% due December 1, 1974 (the sinking fund requirements of the debenture agreement are such that the entire amount will be retired by February 1, 1963.) 3,434,000

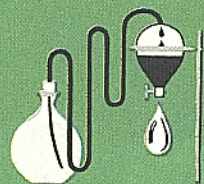
Term notes 5½%, payable \$550,000 February 1, 1963 and 1964 1,100,000

Other 66,178

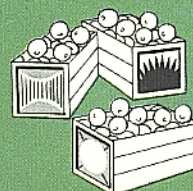
\$14,129,874

4. *Capital Stock.* Under the stock option plan of The Coca-Cola Company and the plan of Minute Maid Corporation prior to its merger into the Company, options are held by officers and employees of the Company and its subsidiaries to purchase shares of the Company's common stock at prices ranging principally from \$37.44 to \$54.29 per share. No further options may be granted under the plans. Further information relating to the outstanding options is as follows: Options outstanding at January 1, 1961, 383,027 shares; options exercised during the year, 92,257 shares; options cancelled during the year through death, retirement or resignation, 19,284 shares; options outstanding at December 31, 1961, 271,486 shares; options exercisable at December 31, 1961, 59,756 shares.

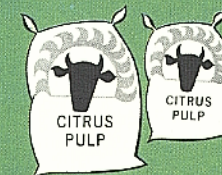
5. *Depreciation.* Provision for depreciation in the amount of \$14,414,964 was charged to manufacturing and other expenses.



Citrus Oils



Fresh Fruit



Cattle Feed

Portrait of an Industry in its 75th Year



A young lady of the Gay Nineties adorned the 1898 Calendar advertising Coca-Cola.



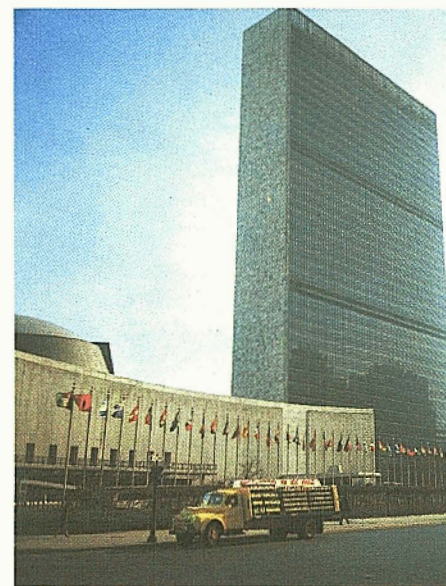
In Coca-Cola bottling plants throughout the world the quality of the product is scrupulously maintained at every level of production.

Longevity provides a decided aura of mystery, but when it pertains to a commercial product and a business enterprise, the mystery amounts to legendary proportions. For the hard fact is, few businesses survive their teens, and when one reaches its diamond anniversary, the opportunity for scurrying about in the past in search of certain road marks to the future seems irresistible, but the dangers of doing so seem to far outweigh the questionable benefits. Far better to consider the past simply as prologue and the present simply as a good place from which to start.

1961 marks the seventy-fifth year since Coca-Cola first went on sale in Atlanta, Georgia. From that modest beginning the business has grown to international proportions with customers in 115 countries asking for Coca-Cola in 57 different languages at the rate of 65-million times a day.

In searching for a rational explanation of this kind of universal acceptance, we find a few corporate characteristics and product attributes standing out conspicuously.

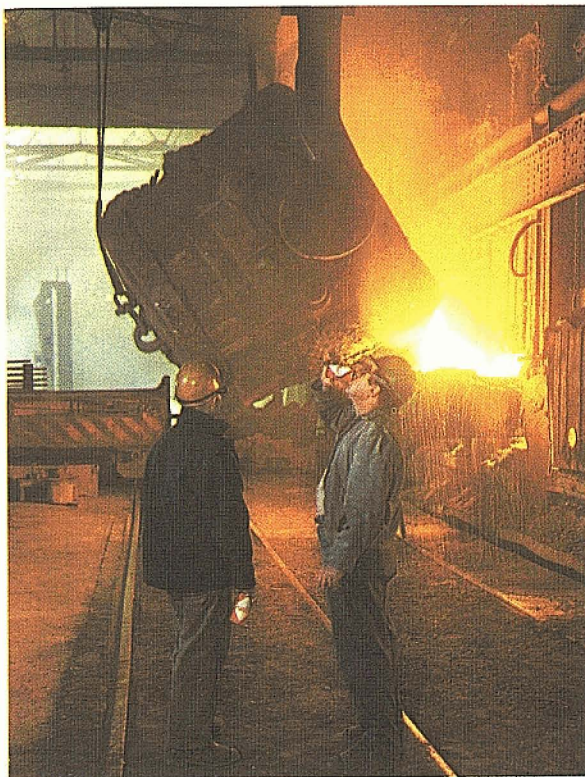
Most of the 100 members of the United Nations greet Coca-Cola in New York as an old friend from back home.



For instance, there is the quality of the product, carefully maintained from raw materials to the ultimate consumer, irrespective of the inaccessibility of that consumer. This quality control is almost a religion with everyone who touches the product.

And then there is the somewhat unique distributional system whereby what might have become an unwieldy organization becomes, in fact, a well integrated group of local units, each an important part of a local community, contributing to the well being of that community in a thousand ways.

The steel industry in processing its product for the Coca-Cola industry, pauses to refresh itself with ice-cold Coke from steel cans.



For instance, the Coca-Cola business is the sugar industry's largest customer; it is one of the glass industry's largest outlets; it draws upon steel for a wide variety of supplies; upon the cork industry for its crowns; upon textiles for uniforms; upon lumber for cases; upon paper for cartons and cups. The story of these business partnerships goes on and on, each conducive to the other's success. Then there is marketing, with its handmaidens of advertising and selling and promotion. Only 25 gallons of Coca-Cola syrup were sold the first year, yet \$46.00 piled up in advertising costs. Such an expenditure was financially out of proportion to sales, and yet in the light of today, it could be considered an expression of faith in the promotability of what has become the most widely advertised commercial product in the world.

The first drummer, with his high-button shoes and bowler hat and limited skills, has grown into thousands of well trained salesmen, supported by up-to-date marketing data and well designed point-of-sale advertising, calling on millions of dealers throughout the habitable globe.

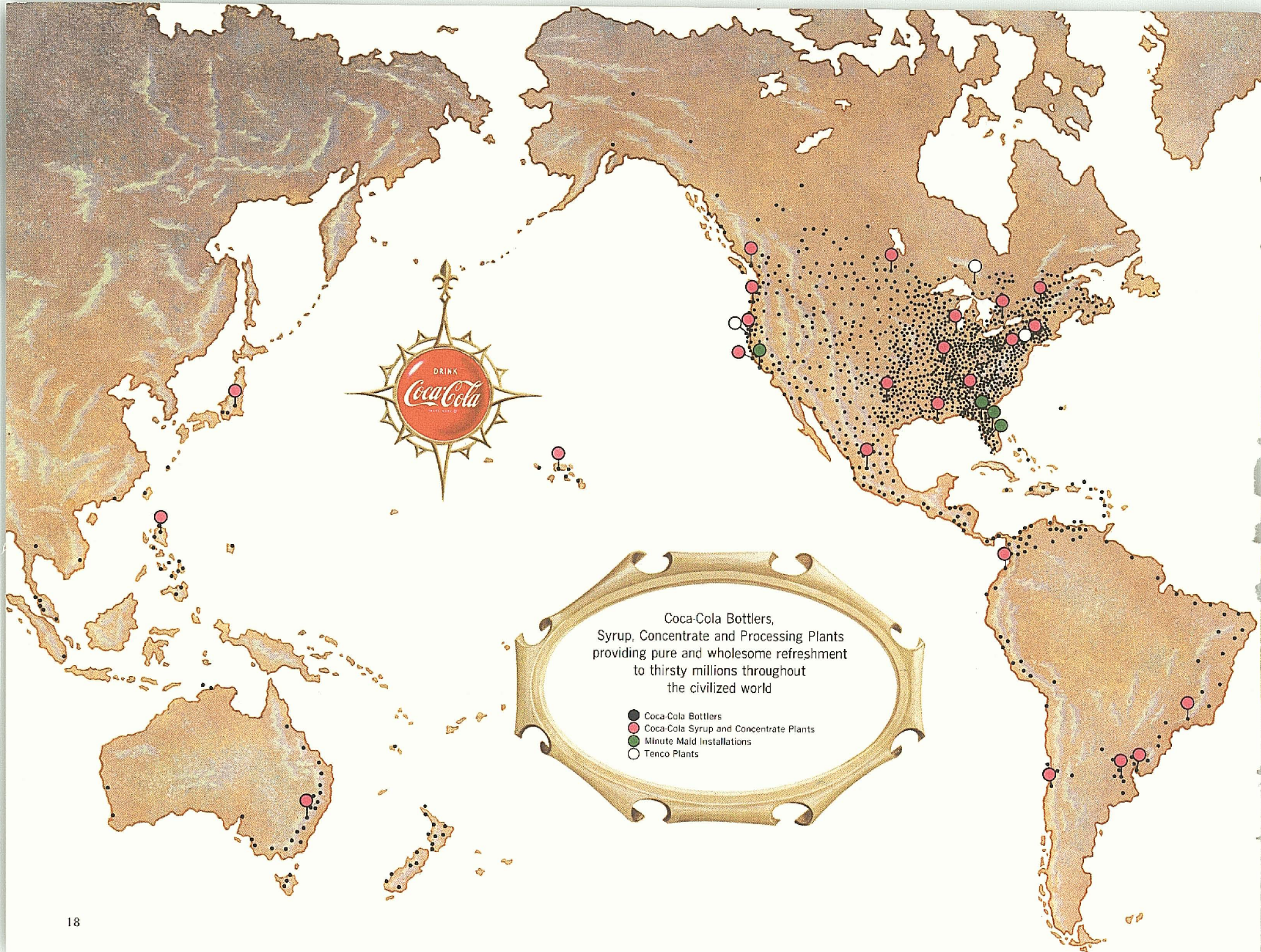
And, finally, in seeking reasons for this universal acceptance, we might turn to consumer demand, the real and universal need for food and drink. Up and down the highways and the by-ways of this brave new world, men everywhere will never postpone for long their need for refreshment, and as The Coca-Cola Company turns today and looks backward momentarily across the seventy-five years and the 300-billion drinks of its history, it looks back with pride upon its modest contribution to the fulfillment of this need, and anticipates with enthusiasm the opportunity to meet the challenge of this need even more effectively in the years which lie ahead.



The Coca-Cola business is a selling business, and everyone connected with it is above all else a salesman — all the time!

Coca-Cola has won its universal acceptance by fitting naturally into so many refreshing experiences.





SYRUP, CONCENTRATE AND PROCESSING PLANTS

(Keyed to the map)



- | | |
|---------------------------|--------------------------------|
| ○ AJAX, CANADA | ● LOS ANGELES, CALIFORNIA |
| ● ANAHEIM, CALIFORNIA | ● MADRID, SPAIN |
| ● ATLANTA, GEORGIA | ● MANILA, PHILIPPINES |
| ● AUBURNDALE, FLORIDA | ● MEXICO CITY, MEXICO |
| ● BALTIMORE, MARYLAND | ● MILAN, ITALY |
| ● BRUSSELS, BELGIUM | ● MONTEVIDEO, URUGUAY |
| ● BUENOS AIRES, ARGENTINA | ● MONTREAL, CANADA |
| ● CALI, COLUMBIA | ● NAIROBI, KENYA |
| ● CASABLANCA, MOROCCO | ● NEW DELHI, INDIA |
| ● CHICAGO, ILLINOIS | ● NEW ORLEANS, LOUISIANA |
| ● DALLAS, TEXAS | ● PLYMOUTH, FLORIDA |
| ● DURBAN, SOUTH AFRICA | ● PORTLAND, OREGON |
| ● ESSEN, GERMANY | ● RIO DE JANEIRO, BRAZIL |
| ○ HAMBURG, GERMANY | ● SALISBURY, SOUTHERN RHODESIA |
| ● HONOLULU, HAWAII | ● SAN FRANCISCO, CALIFORNIA |
| ● KEARNY, NEW JERSEY | ● SANTIAGO, CHILE |
| ● LAHORE, PAKISTAN | ● ST. LOUIS, MISSOURI |
| ● LEESBURG, FLORIDA | ● SYDNEY, AUSTRALIA |
| ● LILLE, FRANCE | ● TOKYO, JAPAN |
| ○ LINDEN, NEW JERSEY | ● TORONTO, CANADA |
| ● LONDON, ENGLAND | ● VANCOUVER, CANADA |
| | ● WINNIPEG, CANADA |

ACCOUNTANTS' REPORT

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
NEW YORK, NEW YORK

We have examined the consolidated financial statements of The Coca-Cola Company and subsidiaries as of December 31, 1961. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of profit and loss and earned surplus present fairly the consolidated financial position of The Coca-Cola Company and subsidiaries at December 31, 1961, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST
Certified Public Accountants

Atlanta, Georgia
February 28, 1962

TRANSFER AGENTS

WILMINGTON TRUST COMPANY
Wilmington, Delaware

MORGAN GUARANTY TRUST COMPANY OF NEW YORK
New York, New York

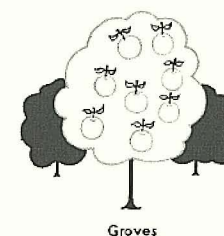
TRUST COMPANY OF GEORGIA
Atlanta, Georgia

REGISTRARS

BANK OF DELAWARE
Wilmington, Delaware

THE CHASE MANHATTAN BANK
New York, New York

THE FIRST NATIONAL BANK OF ATLANTA
Atlanta, Georgia





The Pause that Refreshes

